

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 NEA-10 ISO-00 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-02 COME-00 DODE-00 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SPC-03 SS-20 STR-08 TRSE-00 ACDA-19

IGA-02 PRS-01 OPIC-12 DRC-01 /198 W

----- 036584

R 300800Z MAR 74

FM USINT BAGHDAD

TO SECSTATE WASHDC 876

INFO AMEMBASSY ABU DHABI

AMEMBASSY BONN

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY THE HAGUE

C O N F I D E N T I A L BAGHDAD 192

E.O. 11652: GDS

TAGS: ENRG, IZ

SUBJECT: FUTURE OF BPC

REF: BAGHDAD 167

1. PLOT THICKENS AMONG FORMER IPC PARTNERS IN NEW APPROACH TO IRAQ. IN ADDITION TO ARRIVAL IPC TEAM FOR PARTICIPATION/ COMPENSATION TALKS, SEPARATE DEL MADE UP OF REPRESENTATIVES FROM SHELL, VEBA, ENI, AND CFP (NOT DEMINEX OR BP AS REPORTED BAGHDAD REFTEL) ARRIVED FOR "AGRICULTURAL" DISCUSSIONS. LATTER DEL IS EXTREMELY HIGH POWERED AND LED BY DUROC DANNER, SHELL AND ENI DIRECTORS OF E AND P, AND NO. 2 MAN
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IN VEBA CHEMICALS. EACH COMPANY HAS 25 PERCENT INTEREST IN

GROUP. ALTHOUGH "AGRICULTURAL", REAL PURPOSE, ACCORDING TO MOBIL AND EXXON, IS TO OBTAIN E AND P CONTRACT, NOT NECESSARILY FROM AMONG SIX AREAS PUT UP LAST JULY. GROUP MAY BE NEGOTIATING FOR MORE FAVORABLE AREA THAT INOC HAS THUS FAR HELD BACK.

2. IPC GROUP MINUS AMERICANS MET WITH MINPET HAMMADI ON MARCH 25. HAMMADI, DESPITE HIS REQUEST THAT PARTICIPATION NEGOTIATIONS OPEN, HAD NO PROPOSALS AND IMPLIED THAT TIME NOT YET RIPE. GROUP PERPLEXED AND SPECULATE THAT HAMMADI ONLY WANTED TO BE ABLE TO SAY TO OTHER ARABS THAT IRAQ HAD BEEN OFFERED EQUIVALENT TO WHAT KUWAIT AND QATAR OFFERED AND HAD TURNED IT DOWN. OTHER POSSIBILITY IS HAMMADI HAD TO WAIT FOR RETURN OF SADDAM HUSSEIN FROM INDIA. SADDAM RETURNED MARCH 28 AND SHELL IPC REP TONY MILLER TOLD ME SECOND MEETING WITH HAMMADI SCHEDULED FOR MARCH 30. ENSOR AND ZIRINIS RETURNED TO LONDON MARCH 27.

3. WHEN AND IF PARTICIPATION TALKS BEGIN, MOBIL AND EXXON ASSUME THAT MINIMAL GOI DEMANDS WILL BE FOR 60 PERCENT OF REMAINING 57 PERCENT OF BPC OWNED BY IPC WHICH WOULD GIVE IRAQ 77.2 PERCENT OWNERSHIP. IT IS CONCEIVABLE THEREFORE THAT BOTH IPC AND INOC WOULD PREFER TO SUBMERGE BPC ISSUES IN NEW DEALS WITH INDIVIDUAL COMPANIES.

4. MOBIL DESK OFFICER FOR IRAQ TOM MOORE ARRIVED MARCH 30 AND SUBMITTED MOBIL'S BID FOR E AND P CONTRACT TO INOC. LOWRIE

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Message Attributes

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